
Articles of Association of Arbonia AG

I. Company name, registered office, purpose, share capital, shares

Article 1

Under the company name
Arbonia AG
there exists a corporation (*Aktiengesellschaft*) under Swiss law with registered office in Arbon TG (Switzerland).

Article 2

The purpose of the Company is to participate in industrial, commercial and service undertakings of all kinds in Switzerland and abroad.

The Company may acquire, exploit and sell intellectual property rights and licenses thereto as well as real estate.

The Company may engage in all commercial, financial and other activities which are directly or indirectly related to its purpose or which are suitable to support it.

II. Capital

Article 3

The share capital of the Company amounts to CHF 291,787,620.60 and is divided into 69,473,243 registered shares with a par value of CHF 4.20 each. All shares are fully paid up.

By resolution of the general meeting of shareholders and corresponding amendment to the Articles of Association, registered shares may at any time be converted into bearer shares or bearer shares into registered shares.

The exercise of rights attached to the shares implies the acknowledgement of the respective valid version of the Articles of Association.

The Company acquires, by means of the 100% indirectly owned company Blitz 15-132 GmbH, in Munich DE, from Rainer Taig, in Langenwetzendorf DE, Stefan Taig, in Weissendorf DE, and Carsten Taig, in Döhlau DE, all limited partnership interests of Wertbau GmbH & Co. KG, in Langenwetzendorf DE, loans to the Company in the amount of EUR 3'857'727.50 as well as various real estate properties in Dasslitz and Gommla, both in the district of Greiz (DE), all in accordance with the acquisition-in-kind agreement dated 3 December 2015, with a total value of EUR 25,000,000.00, for which 815,677 own registered shares at CHF 8,239,071.81 will be transferred and EUR 17,391,666.63 will be paid out in cash.

The Company acquires, by means of the 100% directly owned company AFG International AG, in Arbon TG, 20% of the shares in CHORUS SRL, in Milan IT, from Luigi Binaghi, in Milan IT, Manuela Binaghi, in Milan IT, Luisa Migliavacca, in Milan IT, Luca Binaghi, in Milan IT and Nicola Binaghi, in Corbetta (MI) IT, all in accordance with the acquisition-in-kind agreement dated 6 June 2016, with a total value of

EUR 9,514,162.70, for which 514,669 own registered shares at a value of CHF 5,848,338.25 will be transferred and EUR 4,162,446.18 will be paid out in cash.

Pursuant to the contribution in kind agreement dated 9 December 2016 between the Company and the existing shareholders of Looser Holding AG, Arbon, who tendered their registered shares to the Company in the context of the public exchange offer dated 29 September 2016 (all represented by UBS AG, Zurich, acting as their direct representative) and pursuant to the contribution-in-kind agreement dated 9 December 2016 between the Company and the existing shareholders of Looser Holding AG, Arbon, who sold their registered shares to the Company in accordance with the purchase agreement dated 14 September 2016, the Company shall acquire the registered shares of Looser Holding AG, Arbon, in the context of the capital increase of 12 December 2016 (each represented by Mr. Rudolf Huber and Mr. Martin Looser, respectively, acting as their direct representatives), a total of 3,704,363 fully paid registered shares of Looser Holding AG, Arbon, with a nominal value of CHF 8.43 each, will be acquired from the respective existing shareholders of Looser Holding AG in the course of the capital increase on 12 December 2016. These shares will be acquired at a total value of CHF 395,625,968.40. As consideration for this contribution in kind, the existing shareholders of Looser Holding AG, Arbon, who tendered their registered shares to the Company under the public exchange offer of 29 September 2016 or sold them to the Company pursuant to the purchase agreement of 14 September 2016, will receive a total of 20,373,996 fully paid registered shares of the Company as well as a cash amount totaling CHF 85,200,349.00. Fractions of registered shares of the Company resulting from the total position of a shareholder of Looser Holding AG sold in the offer through the same custodian bank will not be issued and will be compensated in cash without interest. The value of the fraction is calculated by multiplying the volume-weighted average price of the Company's registered shares listed on the SIX Swiss Exchange during the last five trading days of the additional acceptance period by the fraction to be compensated to the shareholder in cash. The same procedure shall be followed for fractions in the purchase agreement.

In the context of the capital increase of 28 June 2017, the Company acquires from Looser Holding AG 70,446 fully paid registered shares in Looser Holding AG, Arbon, with a nominal value of CHF 8.43 each, to be transferred by Looser Holding AG to the Company following the execution of the procedure for cancellation of outstanding equity securities pursuant to Art. 137 Financial Market Infrastructure Act, in accordance with the ruling of the Supreme Court of the Canton of Thurgau of 9 June 2017. These shares are acquired at a total value of CHF 8,249,226.60. Looser Holding AG will receive a consideration to be passed on to the former shareholders of Looser Holding AG affected by the declaration of invalidity in the amount of up to 387,453 fully paid registered shares in the Company as well as a cash amount totaling CHF 1,620,258.00. Fractions of registered shares in the Company resulting from the total position held through the same custodian bank by a shareholder of Looser Holding AG affected by the declaration of invalidity will not be issued and will be compensated in cash without interest.

Article 3a

The Board of Directors is authorized, for the period ending 20 April 2028, to increase the share capital in one or more steps to a maximum of CHF 349,747,620.60 (upper limit) by issuing a maximum of 13,800,000 registered shares with a par value of CHF 4.20 each and to reduce the share capital in one or more steps to not less than CHF 262,807,620.60 (lower limit), either by cancelling a maximum of 6,900,000 registered shares with a par value of CHF 4.20 each or by reducing the par value to not less than CHF 3.783. A reduction and an increase may occur simultaneously.

Increases in partial amounts are permitted. In the event of a capital reduction, the amount of the reduction may be distributed to the shareholders in whole or in part and/or booked to the reserves after the decision of the board of directors. In the event of a reduction of the share capital pursuant to paragraph 1, the number of shares by which a capital increase is possible shall increase accordingly and vice versa.

The exercise of contractually acquired subscription rights and the acquisition of new registered shares are subject to the registration restrictions set out in Art. 5 of the Articles of Association. The board of directors shall determine the date of issue of new shares, their issue price, the method of payment, the conditions for the exercise of subscription rights and the commencement of dividend entitlement. The board of directors may issue new shares by means of firm underwriting or intermediation by a financial institution, a syndicate of financial institutions or another third party and subsequent offer to the existing shareholders or to third parties (provided that the priority subscription rights of the existing shareholders are cancelled or not validly exercised). The board of directors is authorized to allow, restrict or exclude the trading of subscription rights. A restriction or exclusion may only take place for the duration of the capital band to the extent of a maximum of 6,900,000 registered shares, whereby this number is reduced in the amount of the advance subscription rights withdrawn per underlying share in accordance with Art. 3b para. 2. The board of directors may allow subscription rights that have not been exercised to lapse, or it may place them or shares for which subscription rights have been granted but not exercised at market conditions or at the conditions of the capital increase in which the subscription rights were not exercised, or use them otherwise in the interest of the Company.

Furthermore, the Board of Directors is entitled to exclude the shareholders' subscription rights in whole or in part and to allocate them to third parties,

- a) for the participation of strategic partners; or
- b) for the acquisition of enterprises, shares or interests in enterprises, or for the financing or refinancing of such transactions; or
- c) to replace existing financing; or
- d) for the rapid and flexible raising of equity capital through a share placement which would be difficult or impossible to achieve without the exclusion of subscription rights; or
- e) to create reserve shares for the above purposes or to back financial instruments issued at market conditions; or
- f) to service financial instruments issued at market conditions; or
- g) to comply with regulatory requirements that render it difficult or impossible to exercise subscription rights; or
- h) to create a (possibly variable) portfolio of shares intended for stock lending in connection with financial instruments issued or guaranteed by the Company, in particular convertible bonds; or
- i) to finance a transaction through an exchange of shares; or
- j) for the expansion of the shareholder base in certain investor markets or in connection with the admission of the shares to trading on foreign stock exchanges; or

- k) for the participation of employees or members of the Board of Directors or Advisory Board, in particular by servicing rights to receive shares, which rights are subject to conditions or the expiry of time periods (whereby a withdrawal of subscription rights under this letter (k) is only permitted to the extent of 2,100,000 registered shares for the duration of the capital band and this number is reduced by the amount of shares issued from the conditional capital pursuant to Art. 3c); or
- l) for other important reasons within the meaning of Art. 652b para. 2 of the Swiss Code of Obligations.

If and to the extent that the Board of Directors has used or reserved the existing conditional capital pursuant to Art. 3b of the Articles of Association, its authorization to increase the share capital based on paragraph 1 of this provision of the Articles of Association shall be reduced accordingly.

Article 3b

The share capital of the Company may be increased by a maximum amount of CHF 57,960,000 by issuing a maximum of 13,800,000 registered shares with a nominal value of CHF 4.20 each, to be fully paid up (contingent capital increase). These registered shares will be issued upon exercise of option or conversion rights, granted in connection with convertible bonds, bonds with option rights or similar forms of financing of the Company or one of its subsidiaries. The holders of conversion and option rights are entitled to subscribe for the new shares. The Board of Directors shall determine the conditions for the granting of conversion and option rights. The subscription rights of the shareholders are excluded.

The Board of Directors may limit or cancel the priority subscription rights of existing shareholders when issuing convertible bonds, bonds with option rights or similar forms of financing, but only for a maximum of 6,900,000 underlying registered shares for the duration of the capital band, which number is being reduced to the extent of the subscription rights withdrawn in accordance with Art. 3a para. 3, and furthermore only if such instruments are

- issued on the national or international capital market; or
- issued as private placements with one or more strategic investors or one or more financial investors; or
- are in connection with the financing or refinancing of the acquisition of enterprises, shares or interests in enterprises or of new investment projects of the Company; or
- in connection with the redemption of existing financing.

To the extent that the priority subscription rights of shareholders are limited or excluded, the following shall apply to the issue of convertible bonds, bonds with option rights or similar forms of financing:

- The instruments shall be issued at the respective standard market conditions, whereby placement via banks acting as custodians is permissible;
- The period for exercising the conversion rights may not exceed 10 years from the date of issue of the bonds;
- The issuance of new shares shall be subject to the terms and conditions of the relevant financial instrument;
- The exercise price for the new shares must at least correspond to the market conditions at the time the conversion and option rights are issued.

The acquisition of registered shares through the exercise of conversion or option rights and any further transfer of the registered shares acquired through the exercise of conversion or option rights pursuant to this article shall be subject to the registration restrictions of Art. 5 of the Articles of Association.

If and to the extent that the Board of Directors has made use of the authorization granted by the General Meeting of Shareholders for a capital increase within the capital band pursuant to Art. 3a of the Articles of Association, the conditional capital pursuant to para. 1 of this provision of the Articles of Association shall be reduced accordingly.

Rights to subscribe for new shares shall be exercised by electronic means (including by e-mail or via electronic systems or platforms made available by or for the Company), as further determined by the Board of Directors, or carried out in writing, and may be waived in the same form.

Article 3c

The share capital of the Company shall be increased by a maximum amount of CHF 8,820,000 by issuing a maximum of 2,100,000 registered shares with a par value of CHF 4.20 each, to be fully paid up, by exercising rights to subscribe for new shares within the meaning of Art. 653 para. 1 of the Swiss Code of Obligations, granted to employees of the Company or group companies and to the members of the Board of Directors of the Company (this authorization being reduced to the extent that shares are issued from the capital band under exclusion of subscription rights with reliance on Art. 3a para. 4 letter k of these Articles of Association). Shareholders' subscription rights and priority subscription rights are excluded. The issue price shall be determined by the Board of Directors. Rights to subscribe for new shares shall be exercised electronically (including by e-mail or via electronic systems or platforms made available by or for the Company), as further determined by the Board of Directors, or in writing, and may be waived in the same form. The acquisition of new registered shares is subject to the restrictions on registration pursuant to Art. 5 of the Articles of Association.

Article 4

Subject to the following paragraph, the registered shares of the Company shall be structured as uncertificated securities (within the meaning of the Swiss Code of Obligations) and intermediated securities (within the meaning of the Intermediated Securities Act). Dispositions of the registered shares, in particular their transfer and the creation of securities or a usufruct, may in this case only be made in accordance with the provisions of the Intermediated Securities Act. The assignment of intermediated securities under the Swiss Code of Obligations is excluded.

After being entered in the share register, the shareholder may at any time request the Company to issue a certificate for his registered shares; however, he is not entitled to the printing and delivery of certificates. The Company, in contrast, may print and deliver certificates (individual certificates, certificates or global certificates) for registered shares at any time. It may withdraw registered shares issued as intermediated securities from the corresponding custody system. With the consent of the shareholder, the Company may cancel issued certificates that are delivered to it without replacement.

Article 5

The Company shall keep a share register of registered shares in which the names and addresses of the shareholders and beneficiaries shall be entered. In relation to the Company, those who are entered in the share register shall be recognized as shareholders or beneficiaries.

Acquirers and beneficiaries of registered shares shall, upon request, be entered in the share register as shareholders with voting rights if they expressly declare that they have acquired and hold the shares in their own name and for their own account.

Nominees within the meaning of this article are persons who do not expressly declare in the application for registration that they hold the shares for their own account and with whom the Board of Directors has concluded an agreement to this effect. No nominee shall be registered in the share register with voting rights for more than 3% of the registered share capital as recorded in the commercial register. Beyond this limit, a nominee shall only be registered in the share register with voting rights if he discloses the names, addresses and shareholdings of those persons for whose account he holds 0.5% or more of the registered share capital entered in the share register. In the event of such disclosure, the relevant nominee shall be entered in the share register with voting rights up to a maximum of 8% of the registered share capital entered in the share register.

The Board of Directors may, after having given the registered shareholder, usufructuary or nominee the opportunity to be heard, delete their entries in the share register as shareholder with voting rights with retroactive effect to the date of registration if these have been made on the basis of incorrect information. The person concerned must be informed of the deletion without delay.

The Board of Directors shall regulate the details and issue the instructions necessary for compliance with the above provisions. It may delegate its duties and powers.

The registration restriction for nominees set forth in this article shall also apply to shares subscribed or acquired through the exercise of subscription, option or conversion rights.

Article 6

The shares are indivisible. The Company recognizes only one representative per share. If a shareholder holds several shares, he may only be represented by one person. An authorized representative may represent several shareholders.

The voting right and the associated rights arising from a registered share may only be exercised vis-à-vis the Company by a shareholder, usufructuary or nominee who is entered in the share register with voting rights.

Article 7

In the event of a capital increase through the issuance of new shares, each shareholder shall be entitled to that portion of the newly issued shares which corresponds to his previous shareholding. The resolution of the general meeting of shareholders on the increase of the share capital may, in compliance with art. 652b para. 2 of the Swiss Code of Obligations, only cancel the subscription right for good cause.

III. Organization

A. General Meeting

Article 8

The supreme body of the Company is the General Meeting. It has the following inalienable powers:

1. to determine and amend the articles of association;
2. to elect the members of the Board of Directors, the Chairman of the Board of Directors, the members of the Compensation Committee, the independent proxy and the auditors;
3. to approve the total compensation of the Board of Directors and the executive management of the Group;
4. to approve the annual report, management report and consolidated financial statements;
5. to approve the annual financial statements and passing of resolutions on the appropriation of the distributable profit, in particular the determination of the dividend and the bonus (*Tantieme*) ;
6. the determination of the interim dividend and the approval of the interim financial statements required for this purpose;
7. to pass resolutions on the repayment of the statutory capital reserve;
8. to discharge the members of the Board of Directors;
9. to pass a resolution on the delisting of the Company's equity securities;
10. to pass resolutions on matters which are reserved to the general meeting of shareholders by law or by the Articles of Association or which are submitted to it by the Board of Directors or the statutory auditor.

Article 9

The ordinary General Meeting shall be held each year within six months of the close of the financial year.

Extraordinary General Meetings shall be convened as often as necessary, in particular in the cases provided by law.

The Board of Directors shall convene extraordinary General Meetings if shareholders who alone or together represent at least 5% of the share capital or votes request such a meeting in writing, stating the items to be discussed and the proposals.

Shareholders who alone or together represent at least 0.5% of the share capital or votes may (jointly) request that an item be placed on the agenda. Such request must be made in writing at least 40 days prior to the meeting, stating the item to be included in the agenda and the proposals. Under the same conditions, shareholders may request that proposals relating to items on the agenda be included in the convening notice.

Article 10

The general meeting shall be convened by the Board of Directors or, if necessary, by the statutory auditor. The liquidators shall also have the right to convene a general meeting.

The General Meeting shall be published at least 20 days before the meeting in the Swiss Official Gazette of Commerce and any other newspapers designated by the Board of Directors. Furthermore, the General Meeting may alternatively or additionally be convened by letter and/or e-mail to the address designated in the share register.

In addition to the date, time, nature and place of the meeting, the notice of meeting shall state the items on the agenda as well as the proposals of the Board of Directors together with a brief explanation of these proposals, if applicable the proposals of the shareholders together with a brief explanation of these proposals, and the name and address of the independent proxy. The items to be discussed may be summarized in the convening notice, provided that further information is made available to the shareholders by other means. No resolutions may be passed on items that have not been announced in this manner, except for a proposal to convene an extraordinary General Meeting or to conduct a special investigation. On the other hand, no prior notice is required for the submission of proposals within the scope of the items on the agenda and for discussions without the passing of resolutions.

The Annual Report, the Compensation Report and the Auditors' Report must be made available to the shareholders no later than 20 days before the ordinary General Meeting. If these documents are not accessible electronically, each shareholder may request that they be sent to him in due time.

The General Meeting may be held simultaneously at one or at different venues. The Board of Directors may provide that shareholders who are not present at the venue of the General Meeting may exercise their rights by electronic means.

The General Meeting may also be held without a meeting venue exclusively using electronic means (including telephone, video conference or other audiovisual or electronic means of communication). The Board of Directors shall regulate the use of such electronic means. It shall ensure that the identity of the participants is established, the votes in the meeting are transmitted immediately, each participant can submit proposals and take part in the discussion, and the voting result cannot be distorted.

Article 11

The General Meeting shall be chaired by the Chairman or, in his absence, by another member of the Board of Directors or by another Chairman elected for the meeting by the General Meeting.

The Chairman shall designate the Secretary and the scrutineers, who need not be shareholders.

The Board of Directors shall ensure the keeping of the minutes, which shall be signed by the Chairman and the Secretary.

Any shareholder may request that the minutes be made available to him within 30 days of the General Meeting.

The resolutions and the election results shall be made available electronically within 15 days of the General Meeting, stating the exact voting proportions.

Article 12

Each share entitles the holder to one vote.

Each shareholder may be represented at the General Meeting by the independent proxy or, with a written power of attorney, by another proxy..

The General Meeting shall elect the independent proxy annually for a term of one year. The term of office ends with the conclusion of the next ordinary General Meeting. A possible resignation remains reserved. A dismissal is only possible at the end of a General Meeting. Re-election is permitted. Natural persons, legal entities and partnerships are eligible for election. If the Company does not have an independent proxy or if it is de facto impossible for the proxy to hold office, the Board of Directors shall appoint such proxy for the upcoming General Meeting.

The Board of Directors shall issue the procedural regulations on the participation in the General Meeting, the representation as well as the determination of the voting rights and it shall determine the requirements for the powers of attorney and instructions to the independent proxy.

The General Meeting shall pass its resolutions and carry out its elections by a majority of the votes cast, unless the law or the Articles of Association contain deviating provisions. Abstentions shall not be counted as votes cast.

If the election is not successful in the first voting round, a second voting round shall be held in which the relative majority shall decide.

Elections and votes shall be by secret voting round unless the Chairman orders an open voting round resp. the general meeting of shareholders decides in favor of an open voting round resp. vote.

Article 13

A resolution of the general meeting of shareholders passed by at least two-thirds of the votes represented and by a majority of the nominal value of shares represented, is required for:

1. the amendment of the corporate purpose;
2. the consolidation of shares;
3. the increase of capital out of equity, against contributions in kind or by offsetting against a claim and the granting of special privileges;
4. the restriction or cancellation of subscription rights;
5. the introduction of conditional capital, the introduction of a capital band;
6. the conversion of participation certificates into shares;
7. any restriction on the transferability of registered shares;
8. the introduction of shares with privileged voting rights (*Stimmrechtsaktien*);
9. any change in the currency of the share capital;
10. the introduction of the casting vote of the chairman at the General Meeting;
11. a provision in the Articles of Association regarding the holding of the General Meeting abroad;
12. the delisting of the equity securities of the Company;

13. the relocation of the registered office of the Company;
14. the introduction of an arbitration clause in the Articles of Association;
15. the dissolution of the Company.

B. Board of Directors

Article 14

The Board of Directors shall consist of three or more members. The General Meeting shall elect the members of the Board of Directors annually, each individually for a term of one year. The term of office of the members of the Board of Directors shall end with the conclusion of the next ordinary General Meeting. Prior resignation and dismissal are reserved.

The general meeting of shareholders shall elect one member of the Board of Directors annually as its Chairman for a term of one year. The term of office ends with the conclusion of the next ordinary General Meeting. Prior resignation and dismissal are reserved. Re-election is possible.

If the office of Chairman is vacant, the Board of Directors shall appoint a new Chairman from amongst its members for the remainder of the term of office.

In all other respects, the Board of Directors shall constitute itself. It may appoint among its members a Vice-Chairman and, if necessary, the Delegate and designates the Secretary, who cannot be a member of the Board of Directors.

Article 15

The Board of Directors is responsible for the ultimate direction of the Company and the supervision of the executive management. It shall represent the Company externally and shall attend to all matters which are not assigned to another body of the Company by law, the Articles of Association or the Organizational Regulation.

The Board of Directors may delegate the management or individual parts thereof as well as the representation of the Company subject to Art. 16 of these Articles of Association, to one or more natural persons, members of the Board of Directors or third parties who cannot be shareholders. If the Chairman directs the executive management of the Company by order of the Board of Directors, he alone shall remain a member of the Board of Directors and shall not become a member of the Group Management. The Board of Directors issues the Organizational Regulation and arranges the corresponding contractual relationships.

Article 16

The Board of Directors shall have the following non-transferable and inalienable duties:

1. the overall management of the Company and giving the necessary instructions;
2. the determination of the Company's organization;
3. structuring of the accounting procedures, the control on finance and financial planning;
4. the appointment and dismissal of persons entrusted with managing and representing the company;
5. overall supervision of the persons entrusted with managing the Company, in particular with regard to compliance with the law, the articles of association, the Organizational Regulation and instructions;
6. preparation of the annual report and the compensation report as well as preparation for the General Meeting and the implementation of its resolutions;
7. filing a petition for debt moratorium and notifying the court in case of overindebtedness.

Article 17

The Board of Directors may delegate the preparation and implementation of resolutions or the supervision of transactions that fall within the competence of the entire Board of Directors to a committee composed of its members or of individual members of the Board of Directors. In this case, it shall ensure appropriate reporting to the members of the Board of Directors.

Article 18

The order of meetings (*Sitzordnung*), quorum (*attendance*) and passing of resolutions by the Board of Directors shall be governed by the Organizational Regulation.

The Board of Directors may pass its resolutions:

1. at a meeting with a venue;
2. by electronic means (including telephone, video conference or other audiovisual or electronic means of communication);
3. in writing on paper or electronically (including e-mail or in any other form of transmission that enables the resolution to be evidenced by text), unless a member requests oral deliberation. If the resolution is passed electronically, no signature is required, this remains subject to a written stipulation to the contrary by the Board of Directors.

Minutes shall be kept of the Board of Director's discussions and resolutions; these shall be signed by the chair and by the secretary. Circular resolutions shall be included in the next minutes of the Board of Directors.

C. Compensation Committee

Article 19

The Compensation Committee consists of two or more members. They shall be elected annually by the general meeting of shareholders for a term of one year. Only members of the Board of Directors are eligible for election. The members must be independent. The term of office ends with the conclusion of the next ordinary General Meeting. Resignation and dismissal are reserved. Re-election is permitted. If the Compensation Committee is not fully composed, the Board of Directors shall appoint the missing members from the Board of Directors for the remaining term of office.

Article 20

The Compensation Committee has in principle the following duties and responsibilities with respect to compensation matters concerning the Board of Directors and the Group Executive Management:

1. developing, implementing and periodically reviewing the Company's compensation policy and system and submitting proposals, suggestions and recommendations to the Board of Directors;
2. submitting proposals to the Board of Directors for the attention of the general meeting of shareholders regarding the total amount of the maximum compensation of the members of the Board of Directors for the period until the next ordinary General Meeting in case of prospective approval or for the past year of office in case of retrospective approval;
3. submitting a proposal to the Board of Directors for the attention of the general meeting of shareholders regarding the total amount of the maximum fixed and variable compensation of the members of the Group Executive Management for the coming financial year in the case of prospective approval or for the past financial year in the case of retrospective approval;
4. preparing the compensation report for the attention of the Board of Directors;
5. assisting the Board of Directors in all other compensation matters and submitting corresponding proposals, suggestions and recommendations to the Board of Directors.

The Board of Directors may assign further tasks to the Compensation Committee in the areas of compensation, human resources, recruitment, nomination and related areas. It shall regulate any further duties and responsibilities of the Compensation Committee in the Organizational Regulation.

D. Auditors

Article 21

The general meeting of shareholders shall elect each year for a term of office of one year a state-supervised auditing company within the meaning of Art. 727b of the Swiss Code of Obligations as statutory auditor. The statutory auditor shall be entered in the commercial register.

The statutory auditor must meet the requirements of Art. 728 of the Swiss Code of Obligations regarding independence.

The statutory auditor has the duties, rights and obligations pursuant to Art. 728a et seq. of the Swiss Code of Obligations. He must attend the General Meetings for which he is required to report.

IV. Compensation of the Board of Directors and the Group Management

Article 22

Members of the Board of Directors receive a fixed compensation. If members of the Board of Directors perform management tasks corresponding to a member of the Group Executive Management, such as the chairman in the management of the Group Executive Management, they generally also receive a variable compensation, which is dependent on certain performance criteria. The fixed compensation and the variable compensation may include a cash component and a component in temporarily restricted shares in accordance with the share participation plan.

In addition to a fixed compensation, the members of the Group Executive Management generally receive a variable compensation, which depends on certain performance criteria. The fixed and variable compensation may include a cash component and a component in temporarily restricted shares in accordance with the share participation plan.

In individual cases, the Board of Directors may provide that during a possible leave of members of the Group Executive Management or members of the Board of Directors entrusted with management duties corresponding to a member of the Group Executive Management, the imputation of substitute income is waived and/or a pro rata share of the variable compensation is paid in addition to the base salary.

If the Company agrees a non-competition clause with a member of the Board of Directors or of the Group Executive Management, this must be justified in business terms and any compensation based on the non-competition clause may not exceed the average compensation paid in the last three financial years.

Members of the Board of Directors and the Group Executive Management are entitled to reimbursement of their expenses incurred in the interests of the Company.

Article 23

The general meeting of shareholders shall approve separately for each compensation period the proposals of the Board of Directors for prospective approval concerning:

1. the maximum compensation of the Board of Directors for the period until the next ordinary General Meeting;
2. the maximum fixed and variable compensation of the Group Executive Management for the next financial year, whereby the Board of Directors may submit the fixed and variable compensation jointly or separately for approval.

If the Board of Directors waives the application for prospective approval of a compensation pursuant to the preceding paragraph, the general meeting of shareholders shall approve the total amount of the corresponding compensation retrospectively for the past year of office resp. financial year (retrospective approval).

The Board of Directors may submit to the general meeting of shareholders deviating and additional proposals regarding the same or other compensation periods for approval.

If the general meeting of shareholders refuses to approve a maximum total amount for the Board of Directors and/or the Group Executive Management, the Board of Directors may submit new proposals at the same General Meeting. If it does not submit new proposals or if these are also rejected, the Board of

Directors may convene an extraordinary General Meeting and submit new proposals to it for approval of the total amounts or request approval at such next ordinary General Meeting.

Compensation not yet approved may be paid subject to the approval of the general meeting of shareholders and, if not approved at a later date, must be reclaimed.

If currency fluctuations lead to the approved maximum total compensations being exceeded, these shall not be taken into account.

Each year, the Board of Directors submits the compensation report for the last financial year to the general meeting of shareholders for consultative (non-binding) approval.

Article 24

The variable compensation is based on the Company's performance. The performance criteria are to be set by the Board of Directors, taking into account the position and responsibility of the recipient, at the request of the Compensation Committee. They shall include corporate and/or personal targets. The variable compensation is determined on the basis of the following principles:

1. The Board of Directors determines the corporate and/or personal targets at the beginning of each business year. The achievement of objectives is assessed by the Compensation Committee upon the end of the financial year and determined by the Board of Directors at its request.
2. A bonus amount is determined on an individual basis. If the targets are achieved in full, 100% of the bonus amount agreed in the individual contract is paid. If the targets are exceeded, the variable remuneration may exceed the bonus amount stipulated in individual contractual agreements up to a maximum amount. If the achievement of the targets is below a certain threshold, the variable remuneration is waived completely.
3. The variable compensation amounts to a maximum of 150% of the fixed compensation.

In deviation from the above rules, the Board of Directors is permitted in exceptional cases to deviate from the time of target setting and target assessment, from the lower threshold value and from the maximum of the variable compensation. In these exceptional cases, the Board of Directors shall set the corporate and/or personal targets, which must be related to the exceptional case, at the time it decides and shall determine the relevant point in time for measuring the targets. It shall also determine the maximum of the additional, i.e. exceed the variable compensation under para. 3 – this may in no case exceed twice the annual salary, consisting of fixed and maximum variable compensation.

Article 25

Therein, the Board of Directors regulates in particular:

1. the portion of the fixed or variable remuneration paid in restricted shares;
2. the timing and terms of the allotment and the determination of the allotment price of the restricted shares based on the market price prior to the date of allotment;
3. the blocking periods of the restricted shares and their possible cancellation for important reasons, for example in the event of a change of control, liquidation of the Company, termination of the employment resp. mandate relationship as well as in the event of disability and death;

4. the valuation of the restricted shares at the time of allocation according to recognized principles.

Article 26

The Company does not grant loans, credits, pension benefits outside the occupational pension scheme or securities to the members of the Board of Directors and the Group Executive Management. This does not apply to advance payments of social security and tax contributions for persons liable to withholding tax.

Article 27

For the compensation of members of the Group Executive Management or members of the Board of Directors who newly assume executive management duties corresponding to a member of the Group Executive Management who, if prospectively approved, is newly appointed or promoted after the approval of the maximum total compensation for the Group Executive Management or the Board of Directors, respectively, an additional amount shall be available for each period for which the general meeting of shareholders has already approved the compensation of the Group Executive Management or the Board of Directors, respectively, if the compensation already approved for the relevant period is not sufficient. This additional amount may not exceed 80% of the total compensation approved for the Group Executive Management for the relevant period for the person in charge of the Group Executive Management and 40% for any of the other persons entrusted with the Group Executive Management.

V. Contracts with members of the Board of Directors and the Group Executive Management

Article 28

Contracts underlying the compensation of members of the Board of Directors may not exceed the term of office. The duration of fixed-term contracts and the notice period of indefinite contracts underlying the compensation of the members of the Group Executive Management may not exceed one year.

VI. Mandates outside the Group

Article 29

Members of the Board of Directors may hold a maximum of 16 mandates outside the Group, of which a maximum of 5 may be at listed companies and a maximum of 8 at companies with ordinary auditing (including the 5 listed companies). This rule also applies to members of the Board of Directors who are also members of the Group Executive Management in the function of Delegate of the Board of Directors and CEO ad interim.

Members of the Group Executive Management may hold a maximum of 5 mandates outside the Group, of which a maximum of 1 may be with a listed company and a maximum of 2 with companies subject to ordinary auditing (including the one listed company).

Members of the Board of Directors or the Group Executive Management may additionally hold a maximum of 5 mandates with non-profit organizations.

For the purpose of calculating the maximum number of mandates pursuant to paras. 1 to 3 of this provision of the Articles of Association, the mandate as chairman of the Board of Directors at a company with an ordinary audit shall be deemed to be two mandates.

Mandates shall be deemed to include activities in functions comparable to membership of the board of directors, the executive management or the advisory board at other companies with an economic purpose that are not controlled by the Company or do not control the Company. Mandates at different companies belonging to the same group of companies count as one mandate. Mandates held by a member of the Board of Directors or of the Group Executive Management on the instructions of a Group company are not subject to the limitation of additional mandates pursuant to this Article 29.

VII. Accounting

Article 30

The financial year shall begin on 1 January and end on 31 December. The Board of Directors may determine a different financial year.

The annual financial statements, consisting of income statement, balance sheet and notes, as well as the consolidated financial statements, shall be prepared in accordance with the provisions of the Swiss Code of Obligations as well as in accordance with generally recognized commercial and industry principles.

Article 31

Subject to the statutory provisions on the distribution of profits, in particular Art. 671 et seq. of the Swiss Code of Obligations, the balance sheet profit is at the disposal of the general meeting of shareholders.

The dividend may only be declared after the statutory allocations to the legal reserves have been deducted. All dividends which have not been collected within five years after their due date shall be forfeited to the Company.

VIII. Liquidation of the Company

Article 32

The general meeting of shareholders may at any time resolve to dissolve and liquidate the Company in accordance with the provisions of the law and the Articles of Association.

The liquidation shall be carried out by the Board of Directors, unless it is transferred to other persons by the general meeting of shareholders.

Once the liabilities are repaid, the assets shall be distributed among the shareholders in proportion to their contributions.

IX. Notification

Article 33

Subject to deviating statutory law, all notices of the Company to its shareholders shall be made either by publication in the Swiss Official Gazette of Commerce or by transmission allowing proof of the notification by text (e.g. letter or e-mail) to the address entered in the share register.

Rorschach, 21. April 2023

Chair

Minutes

Alexander von Witzleben

Andrea Wickart

In the event of any discrepancy between the English and German text, the German text shall prevail.